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United Nations Development Fund for Women criteria and methodology for regular resources allocation

Summary

The present document provides information on the current criteria for regular resources allocation used by the United Nations Development Fund for Women (UNIFEM) and proposes options for future programming resources distribution. The document is accompanied by the letter addressed to the UNDP Administrator by the Chair of the Consultative Committee on the United Nations Development Fund for Women of 27 May 2009, at whose request this document was drafted.

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I. Introduction

1. At its 49th session held 17-18 March 2009, the UNIFEM Consultative Committee requested: "UNIFEM to provide an analysis of the criteria for resource allocation for a review of these by the Committee at an inter-session meeting and its inclusion as an annex in the report on the implementation of the strategic plan for the annual session of the UNDP/UNFPA Executive Board." This document provides information on the current criteria for regular resources allocation and options for future programming resources distribution covering the following topics: guiding principles of criteria for regular resources allocation; current methodology for distribution of regular resources; the way forward; and methods and issues for amending the resources distribution methodology.

2. Chapters covering the first two topics largely reflect the note on the subject prepared as an input for discussion at the 49th session of the Committee. On the other hand, the chapters covering the last three topics pertain to issues that the UNIFEM advisory and governing bodies may wish to take into account when considering the amendment of the existing criteria for distribution of UNIFEM regular resources.

II. Guiding principles and criteria for regular resources allocation

A. Legislative background

3. General Assembly resolution 39/125 (1984)[1], containing the UNIFEM mandate, states that the resources of the Fund shall be used mainly within two priority areas: to serve as a catalyst, with the goal of ensuring the appropriate involvement of women in mainstream development activities, as often as possible at the pre-investment stages; and to support innovative and experimental activities benefiting women, in line with national and regional priorities. It highlights that the present procedures of the Fund, "established in accordance with the requirements set out in the criteria adopted by the General Assembly in its 1976 resolution 31/133 and on the advice of the Consultative Committee, shall remain in force." General Assembly resolution 31/133 adopted the following criteria:

(a) "The resources of the Fund should be utilized to supplement activities in the following areas designed to implement the goals" of the Decade for Women:

(i) Technical cooperation activities;

(ii) Development and/or strengthening of regional and international programmes;

(iii) Development and implementation of joint inter-organizational programmes;

(iv) Research, data collection and analysis, relevant to the above three;

(v) Communication support and public information activities designed to promote the goals of the Decade and, in particular, the activities undertaken under (i), (ii), and (iii) above;

(vi) In the selection of projects and programmes, special consideration should be given to those which benefit rural women, poor women in urban areas and other marginal groups of women, especially the disadvantaged."[2]

4. Since then, these areas were reinforced and/or expanded by a series of General Assembly resolutions, including those emphasizing UNIFEM support to national women's machineries, economic empowerment of women, women in politics, democratic governance, ending violence against women, human rights, the Convention on the Elimination of All Forms of Discrimination against Women,

[1] Paragraph 9 of the annex to A/RES/39/125 (December, 1984), chapter II on operations and control of the Fund.

[2] General Assembly resolution 31/133 (December, 1976) paragraph 1 (a) on criteria

indigenous women, gender thematic groups in the resident coordinator system, gender dimension in peacebuilding and security issues; gender perspective of HIV/AIDS and gender budgeting; and gender technical resource of the United Nations system.

5. The UNDP/UNFPA Executive Board, which covers UNIFEM, has made a number of decisions about UNIFEM that reinforce the General Assembly resolutions and highlight priorities for UNIFEM programming. These include a mandate to work in Central and Eastern Europe and the Commonwealth of Independent States, mainstreaming gender in common country assessments and United Nations Development Assistance Frameworks, ensuring gender dimensions of all Millennium Development Goals are incorporated into operational activities of United Nations system, support to the resident coordinator system, reducing feminized poverty, ending violence against women, halting and reversing the spread of HIV/AIDS, gender justice in democratic governance and in post-conflict countries, women's economic security and rights, and reducing the prevalence of violence against women.

6. Based on its mandate, UNIFEM provides innovative, catalytic programming and financial support to countries to achieve gender equality in line with national priorities, and strengthens action on gender equality across the United Nations system of development cooperation. Accordingly, UNIFEM programmes and activities contribute to the Beijing Platform for Action and other international development goals and commitments.

B. The UNIFEM strategic plan

7. The strategic plan, 2008-2011 is based on the UNIFEM mandate and guides the overall direction of UNIFEM support to programme countries in achieving their national development priorities on gender equality and women's empowerment. The overarching goal of UNIFEM, as articulated in the plan, is that "national commitments to advance gender equality and women's empowerment are implemented" in programme countries. In support of this goal, UNIFEM works in specific thematic areas highlighted by its governance structure, including enhancing women's economic security and rights, reducing prevalence of violence against women and HIV/AIDS, and advancing gender justice in democratic governance. The goal also places the focus of implementation at the national level, in keeping with the promotion of national ownership and development partnership, to enhance the implementation of national commitments on gender equality. The strategic plan provides the framework for country, sub-regional, regional and global programmes, and its development results are supported by output-level management results. The current strategic plan was approved by the Executive Board in decision 2007/35.

III. Current methodology for distribution of regular resources

A. Strategic considerations

8. The strategic plan, including its multi-year integrated financial framework, forms the basis for planning and programming of regular and 'other' resources over a period of four years, ensuring that resources are used effectively and efficiently to further the policies, aims and activities of UNIFEM. Based on the plan, the partial funding formula[3] is applied in setting the financial envelope of regular resources available for UNIFEM to programme each year. After making provisions for the biennial support budget (programme support and management), all UNIFEM

[3] The partial funding formula, approved by the Executive Board decision 97/4 (January, 1997), allowed UNIFEM to programme 100 per cent of estimated income for the year, plus 50 per cent of the same amount the following year, and 25 per cent for the third year.

resources are available, to the maximum extent possible, for programme activities in programme countries. The levels of annual programmable regular resources are tentative in nature as they are based on projected available regular resources for the year. The resource target may or may not be realized depending on actual levels of donor contributions.

9. In order to economize on its limited regular resources, UNIFEM seeks to optimize its presence in programme countries by basing its programmes in sub-regional programme offices supporting country, regional, and global initiatives. UNIFEM does not have widespread country office networks; it has strategic presence or coverage at national, regional and global levels to implement its strategic plan. In addition to its sub-regional programme offices in 15 programme countries, in response to demand from programme countries and using flexible organizational arrangements, UNIFEM has a cost-effective programme field presence in over 60 countries.

10. The current methodology for allocating resources provides the programme funding base at the regional and global levels for implementation of development activities with the aim of contributing to development results based on national priorities and commitments to advance gender equality.

B. Percentage share by programming categories

11. The current methodology for allocating regular resources for regional and thematic distribution is based on a straightforward percentage point assigned for each programming category endorsed by the Committee. Commensurate with the small resource base of UNIFEM, and the catalytic and innovative nature of its mandate, the percentage share is kept simple and straightforward. Distribution of regular resources for programme activities is done by assigning a percentage share of programmable regular resources to each programming category – geographic regions, thematic/cross-regional, outreach and business development, special programming needs, and emerging issues. Review and determination of the percentage points is done by the Consultative Committee periodically, in light of new programming developments based on UNIFEM submission. The percentage shares endorsed by the Consultative Committee at its 41st session in 2001, and the revisions adopted at the 44th session[4] of the Committee in 2004, are summarized in table 1.

Table 1: Percentage share for distribution of regular programming resources

Programming category	Percentage share adopted by the Committee – 41st session (2001)	Percentage share adopted by the Committee – 44th session (2004)	Changes in percentage share
Africa	30%	30%	0%
Asia and the Pacific	15%	20%	+5%
Latin America and the Caribbean	15%	16%	+1%
Central and Eastern Europe/ Commonwealth of Independent States and Arab States	15%	14%	-1%
Total geographic regions	**75%**	**80%**	**+5%**
Thematic/cross-regional	15%	10%	-5%
Outreach and business development	5%	5%	0%
Special programming needs and emerging issues	5%	5%	0%
Total other	**25%**	**20%**	**-5%**
Grand total	**100%**	**100%**	**0%**

[4] Report on the 44th session of the Consultative Committee (March, 2004), policy issues (pages 3-4)

C. Criteria for deciding to engage in certain countries

12. The availability of funds for programming is paramount, and limits the extent to which UNIFEM is able to engage in certain countries at any one time in its area of responsibility to promote gender equality and women's empowerment. Strategic engagement with countries on development programmes needs to be supported by predictable, multi-year programmable regular resources to ensure scalability and sustainability of UNIFEM catalytic and innovative initiatives. Based on the resources allocated for each region and the area of its expertise outlined in its mandate and strategic plan, the following criteria assist UNIFEM in determining how to engage in certain countries:

(a) Development indices:

(i) Level of poverty, gross national income per capita;

(ii) Least developed country status;

(iii) Gender development index as published in UNDP Human Development Reports;

(iv) Gender empowerment measure, published in UNDP Human Development Reports.

(b) Demand from programme countries and development partners:

(i) Demand from government;

(ii) Extent of country commitment to gender equality (e.g. national plan to be implemented, laws passed, etc.)

(iii) Programme continuity and consolidation opportunities;

(iv) Demand from the United Nations country team and resident coordinator;

(v) Demand from non-governmental organizations and women's networks.

(c) Other:

(i) Existence of conflict or post-conflict situations;

(ii) Availability of programmable regular resources;

(iii) Other compelling reasons for special programming on emerging issues.

13. These criteria have been communicated throughout the Fund and particularly to regional programme directors at the beginning of the programming cycle and with the roll out of the strategic plan.

IV. The way forward

14. The rest of this document examines the guiding principles, basic options and possible methodology that need to be considered if UNIFEM is to amend its current methodology for distribution of core resources.

A. Guiding principles

15. If the criteria and methodology for the allocation of UNIFEM regular resources are to be amended, some basic principles that guide the organization need to be maintained.

16. *Guiding principle 1. Adherence to the UNIFEM mandate and strategic plan* – UNIFEM is guided by its intergovernmental mandate and strategic plan, as elaborated in chapter II of this document. The overarching goal of UNIFEM is to support programme countries in achieving their national development priorities on gender equality and women's empowerment.

17. *Guiding principle 2. Annual regular resources allocation cycle* – The annual programming base, or the financial envelope, of regular resources available each

year is based on the partial funding formula. The cycle for regular resource allocation remains annual, in accordance with the level of programmable resources calculated in line with the formula. The levels of annual programmable regular resources differ each year, depending on projected contributions to regular resources from donors.

18. *Guiding principle 3. Maintaining key programming categories* – The current programming categories and geographic regions endorsed by the Consultative Committee should be maintained when designing an amended methodology. They are aligned with the functional and institutional configuration of UNIFEM. These categories include two main clusters: (a) geographic regions – Africa, Asia and the Pacific, Latin America and the Caribbean, Central and Eastern Europe/Commonwealth of Independent States and Arab States; and (b) thematic advice/cross regional outreach and business development, and special programming and emerging issues.

19. *Guiding principle 4. Maintaining the existing distribution of UNIFEM programming categories, geographic regions and other programme categories* – The existing percentage share of 80 per cent for geographic regions and 20 per cent for the other programme categories should be maintained as it offers the minimal funding necessary for the sustenance of the latter. Thus, the discussion on methodology and criteria for distribution of resources in this document applies to the 80 per cent, which is distributed between geographic regions.

20. *Guiding principle 5. Maintain allocation of resources at the regional and not country level* – Distribution of regular resources should continue to be by region, and not by individual country, given the mandate and limited scale of UNIFEM resources.

21. *Guiding principle 6. Minimum programme funding requirement for sub-regional programmes* – A minimum level of programme funding should be available for each UNIFEM sub-regional programme receiving the smallest shares of regular programmable resources. This will help ensure timely and effective support to programme countries and leverage additional resources from donors in UNIFEM areas of work. This minimum amount will be deducted upfront from the total available programmable resources, and will allow UNIFEM to factor in its sub-regional presence in the distribution criteria and methodology. This approach aligns with the allocation methodology of UNDP for regional programmes of geographic regions with small percentage share.

22. *Guiding principle 7. Cost-effective methodology* – Whatever methodology is ultimately proposed, it must be simple and cost effective in formulation and application. Its application should avoid placing a heavy burden on the limited capacity of UNIFEM, nor require additional staff.

23. *Guiding principle 8. Gradual transition* – While the need for streamlining and refinement of the criteria and methodology for regular resources allocation is important for effective programming, it is also critical that changes to methodology are done in progressive and incremental manner. This would allow sufficient time for UNIFEM and sub-regional programmes to adjust to proposed changes and avoid abrupt interruptions to substantive and financial commitments. It is proposed that any changes be implemented gradually in the 2012-2016 strategic plan cycle.

24. *Guiding principle 9. Scale of regular resource base* – The limited scale of UNIFEM regular resources should be taken into account in selecting the criteria and methodology for resources allocation. The scale of UNIFEM investment in formulating and applying a new criteria and methodology is smaller than what larger organizations can afford.

B. Two basic options

25. Two basic options need to be considered if a fund the size of UNIFEM is to amend its current criteria and methodology for allocation of core resources. One option is to develop criteria and methodology that is UNIFEM-specific. The other option is to adopt existing criteria and methodology used by other organizations. The choice between these two options must be guided by the principles already highlighted, particularly the principle of cost effectiveness, in view of the current and expected limited scale of UNIFEM core resources.

Option 1: A UNIFEM-specific criteria and methodology for allocation of core resources

26. The first option is to devise UNIFEM-specific criteria and methodology, in line with the UNIFEM mandate (guiding principle 1). Given the focus of the organization on gender equality and women's empowerment, the development of specific criteria will be based on pertinent statistical indicators.

27. Most statistics measuring the status of women focus on three elements: health (and reproductive health), education, and employment. The best known global databases[5] including such statistics are those included in the Millennium Development Goal framework and the variables used by the Human Development Report for estimates of the gender development index and gender empowerment measure[6].

28. The Millennium Development Goal framework monitors a set of agreed variables for each of the eight goals. There is no global index at the goal level, nor is there a composite measure of any kind (including gender). The following variables are included that relate to the status of women[7]:

(a) As measures of Millennium Development Goal 3 (promote gender equality and empower women): the ratio of girls to boys in primary, secondary and tertiary education; the share of women in wage employment in the non-agricultural sector; and the proportion of seats held by women in national parliament;

(b) As measures of Millennium Development Goal 5 (improve maternal health): Maternal mortality ratio; and proportion of births attended by skilled health personnel.

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[5] It is worth noting that there is an ongoing discussion among Member States regarding the use of global databases instead of nationally produced data. Global databases are adjusted values by specialized organizations to ensure methodological consistency among countries but may also produce drastically different estimates for some countries where the nationally produced estimate is considered inaccurate. For the purposes of this document, focus is only on global databases since UNIFEM does not have the capacity to collect nationally produced data.

[6] These databases are particularly useful because they collect information produced by specialized organizations such as the International Labour Organization, the United Nations Scientific, Educational and Cultural Organization, the United Nations Children's Fund, UNFPA and the World Bank, within frameworks that are considered legitimate among Member States. This is not to imply the information and indices are not criticized, but rather that their existence, values and methodological limitations are relatively well known.

[7] The following variables are also included in the Millennium Development Goal framework; although it is not mandatory to report on sex-disaggregated data, this information is mostly available when data is:

- Employment-to-population ratio [Millennium Development Goal 1]
- Proportion of own-account and contributing family workers in total employment [Millennium Development Goal 1]
- Net enrolment ratio in primary education [Millennium Development Goal 2]
- Literacy rate of 15- to 24-year-olds, women and men [Millennium Development Goal 2]
- Under-five mortality rate [Millennium Development Goal 4]
- Infant mortality rate [Millennium Development Goal 4]
- HIV prevalence among population aged 15-24 years [Millennium Development Goal 6]

29. The Human Development Report gender development index is a composite measure based on its human development index, but adjusting it to reflect the inequalities between men and women according to a formula detailed in the report. The following variables, disaggregated by sex, are used as proxy measures of capabilities:

(a) Life expectancy at birth, as a measure of health;

(b) Adult literacy rate and combined primary, secondary and tertiary gross enrolment ratio, as a measure of knowledge; and

(c) Estimated earned income (United States dollar purchasing power parity), as a measure of access to decent living standards.

30. The Human Development Report gender empowerment measure is also a composite measure that focuses on women's opportunities rather than capabilities, and captures gender inequality in three areas:

(a) Share of parliamentary seats, as a measure of political participation and decision-making power;

(b) Share of position of legislators, senior official and managers; and share of professional and technical positions, as a measure of economic participation and decision-making power;

(c) Estimated earned income (United States dollar purchasing power parity), as a measure of power over economic resources.

31. Ideally, a measure that combines all Millennium Development Goal gender-relevant variables, or women's capabilities and opportunities (gender development index and gender empowerment measure) would be the best combination for assessing women's status. Despite the fact there are many gender inequality indices available from advocacy and research institutions, a fully legitimate index combining both elements does not exist. For this reason, if UNIFEM were to use a measure combining aspects of capabilities and opportunities, this will have to be tailor made, and would require various technical elements such as: (a) inventory of variables measuring women's status, with adequate availability, reliability and consistency of data; (b) a detailed indexing methodology, including weighting of selected variables (which should include various model alternatives), for country-level estimation; (c) a set of rules and principles for dealing with missing data (including when a projection could be used as a replacement); and (d) a regional aggregation method[8] of the estimated measure at the country level, most likely using population as a weighting factor. This will have to be accompanied by proper consultations, which will make the technical discussion even lengthier.

32. Given these challenges, as well as the scale and staffing capacity of UNIFEM and the fact that UNIFEM is organized at the regional and sub-regional – but not country – level, there is no basis for justifying the production of a new measure for the purposes of resource distribution. A point-system allocation based on country-level data is also not appropriate, since UNIFEM operates at the regional level. For these reasons, the use of a combined measure using Millennium Development Goal variables is not recommended.

Option 2 – Adopting an existing methodology

33. The second option is to adopt an existing methodology applied by another multilateral development organization. There is a variety of criteria and methodologies applied by these organizations to allocate resources. For the purpose

[8] A regional aggregation method would be required in light of guiding principle 5. Given the limited scale of UNIFEM, that does not allow large scale dispersion at the country level.

of this document, the methodologies for regular resources allocation of UNDP and UNFPA are reviewed.

34. *UNDP methodology for regular resources allocation* – UNDP target for resource assignment from the core (TRAC)-1 country-level distribution model is a complex one, and ensures a focus on low income and least developed countries. The model starts by producing a base country allocation using World Bank data on population and per capita gross national income as the primary criteria. It is adjusted by coefficients to ensure progressive favor towards lower income countries; countries with higher populations have some, but not a predominant effect, on overall distribution. The model then determines levels to be received by countries and modifies the basic allocation, if the former is higher. Based on these modifications, the final country allocations are estimated. TRAC-1 covers only low income and middle income countries (the former receive a bonus in the distribution system), leaving out net contributor countries. The gross national income per capita threshold for classifying countries used in the UNDP 2007 programming arrangements document is $1,050[9] or less for low income countries, and up to $5,500[10] for middle income countries; countries above that level of gross national income per capita were considered net contributors. Based on this model, UNDP estimates regional allocations by aggregating country-level allocations in each region, which are used to establish the regional distribution of programme resources.

35. *UNFPA methodology for regular resources allocation* – UNFPA methodology consists of grouping countries into three categories based on the principle that countries furthest away from achieving International Conference on Population and Development (ICPD) goals in reproductive health and gender equality should receive priority assistance. The system consists of assigning points to countries based on eight indicators and associated thresholds, including: the proportion of births attended by skilled health personnel; the contraceptive prevalence rate for modern methods; the proportion of population aged 15-24 years living with HIV/AIDS; the adolescent fertility rate; the under-five mortality rate; the maternal mortality ratio; the literacy rate among 15-24 year-old females; and the age dependency ratio of females. Countries are classified into 'a', 'b' and 'c' groups based on thier performance in the eight indicator areas. There is also an additional group 'o' consisting of other countries for which detailed data are not available and/or those countries that have received limited or temporary assistance. Although there is an estimation of the share of resources to be allocated for each of these groups of countries, there is not a clear methodology for country-level distribution[11].

36. *Feasibility analysis of the two basic options: UNIFEM-specific versus adopted* – When weighing the benefits and challenges of devising a methodology or adopting an existing one, there is a strong argument to be made for the latter approach. UNIFEM does not produce data as part of its core business and therefore, it would be difficult for UNIFEM undertake such activities in a cost-effective way. Furthermore, producing and collecting data is complex and expensive – to perform the task properly, a well staffed data analysis unit would be required. In addition,

[9] Country income thresholds changed from $900 to $1,050 and from $4,700 to $5,500. Refer to Executive Board decision 2007/33 authorizing the proposals of the Administrator to enhance the 2008-2011programme financial framework and introducing a systematic adjustment of country classification thresholds at the beginning of each programming cycle.

[10] ibid.

[11] UNFPA guidance for country allocations is summarized in the following text: "The actual needs and priorities of individual countries, as determined through the United Nations Development Assistance Framework, would be paramount in defining individual country allocations. Other factors that would be taken into account would be related, inter alia, to the country's population size and income; the availability of significant funding for ICPD issues from other donors; internal inequalities and disparities within countries; life expectancy; the extent of achievement pertaining to ICPD goals and the Millennium Development Goals; the emergency, transition and recovery situation in the country; and other relevant qualitative aspects." However, a clear methodology for applying this guidance is not provided.

UNIFEM has a limited resource base and allocations for programming are relatively small compared to other funds and programmes to warrant devising and applying a UNIFEM-specific methodology. For these reasons, adopting an existing methodology is more attractive, though it is important to assess and identify which methodology is most appropriate for UNIFEM.

37. In order to analyze methodologies and their technical feasibility for replication in UNIFEM, the following factors should be taken into consideration:

(a) Since UNIFEM is not a data producer (unlike UNFPA), collection of data for estimating resource allocation should be relatively inexpensive and not labor-intensive;

(b) Since UNIFEM does not have a data analysis unit, the allocation model needs to be relatively simple, and ideally rely on existing models;

(c) The methodology needs to be applicable at the regional and sub-regional level, since UNIFEM does not have a country presence;

(d) The methodology must incorporate a measure of gender inequality;

(e) The methodology should prioritize lower income countries, since this often correlated with lower status for women.

38. The UNDP and UNFPA methodologies offer strengths and weaknesses. The methodology of UNDP relies on easy accessible data and is strong on ensuring progressiveness towards lower income countries. It also provides a relatively easy aggregation method at the regional level. Although the UNDP model is relatively complex, its country allocations and corresponding regional allocations are publicly available. For these reasons, the UNDP regional resource allocation approach could be a good starting point, but would need adjustment to incorporate gender equality levels. Using the UNDP regional allocation approach is also in line with the association between UNIFEM and UNDP.

39. The UNFPA method favours countries where women have lower status and integrates measures of gender inequality, since the variables used by the organization are particularly gender-sensitive. It will be difficult, however, to estimate regional level allocations based on the UNFPA methodology – a requirement given the regional/sub-regional structure of UNIFEM operations (guiding principle 5). Devising a custom aggregation method for UNIFEM will render adoption of the UNFPA model complicated and demanding.

40. The UNDP methodology, adjusted by gender, seems to be the best option.

V. Adjusting for gender and methodology for applying an amended resources distribution

41. If the UNDP methodology is eventually adopted, adjusting it for the gender gap will be required. Section A provides an explanation of how the methodology can be used, while section B outlines how to compute the distribution of UNIFEM regular resources among regions.

A. Adjusting UNDP regional distribution for gender equality

42. Adjusting UNDP resource distribution to incorporate gender inequality requires the selection of indicators and a metnodology for making the adjustment. The gender development index and gender empowerment measure are candidates to use for the adjustment. Combining both indices would pose technical challenges not much less than those for creating a new measure. The technical feasibility of using either index has been assessed for the purpose of this exercise. With respect to the gender empowerment measure, a major obstacle was the inadequacy of the number

of countries and their population coverage for which an estimation of the gender empowerment measure is available, especially for the Africa region, but also for Asia and the Pacific.

43. As a consequence, the main variable that could be used to estimate a gender adjustment factor for the UNDP pro rata share of total TRAC-1 resources would be the gender development index. See table 2.

Table 2: Gender development index and gender empowerment measure, per region

Region	Total countries	Gender Development Index		Gender Empowerment Measure	
		N countries	Population percentage	N countries	Population percentage
Africa	48	43	95%	9	24%
Asia and the Pacific	37	26	98%	16	61%
Arab States*	17	13	51%	10	78%
Latin America and the Caribbean	33	24	96%	25	95%
Central and Eastern Europe and the Commonwealth of Independent States	30	27	97%	24	88%

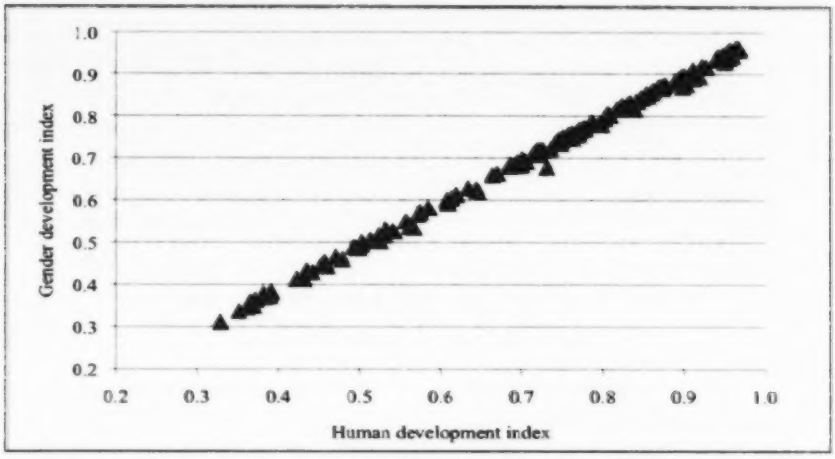
* It is worth noting that the low population coverage of the gender development index in the Arab States is related to the lack of information from Egypt.

44. Determining how to estimate the 'gender adjustment factor' requires an identification of the main priority for the distribution of resources – improving women's status, or gender equality? Although both elements need to be incorporated in the final distribution of resources, a decision needs to be made in terms of what the gender adjustment factor should correct for.

45. Since UNIFEM distribution of resources will take UNDP estimates as a starting point, and considering the high correlation levels shown in figure 1 and figure 3, it can be argued that the adjustment needed should focus on gender inequality rather than the status of women – the latter incorporated through the methodology of UNDP.

46. The gender development index, as such, is a measure of women's status, indicating the extent to which women can access basic capabilities for their development: education, health and access to economic power. For this reason, it is not surprising that the measure correlates closely with the human development index, as shown in figure 1.

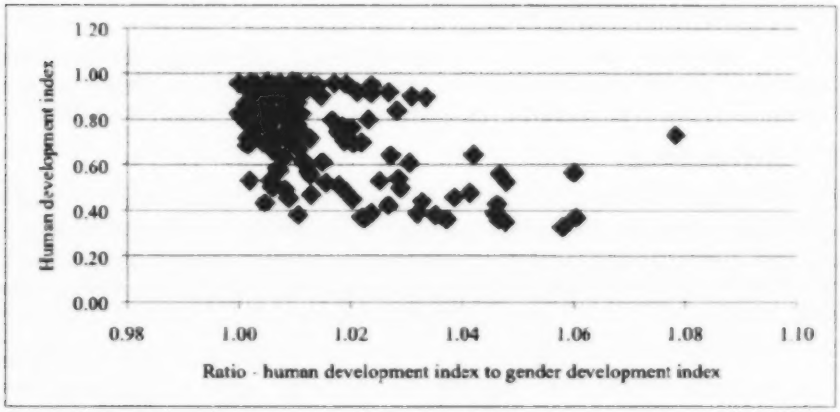
Figure 1: Correlation between the gender development index and the human development index



Data source: UNDP Human Development Report 2007 and 2008. Elaboration by UNIFEM

47. A measure of gender inequality could be estimated by calculating the ratio of the gender development index to the human development index. As figure 2 shows, this correlation disappears when estimating the human development index to the gender development index ratio, suggesting this is a good measure for gender inequality.

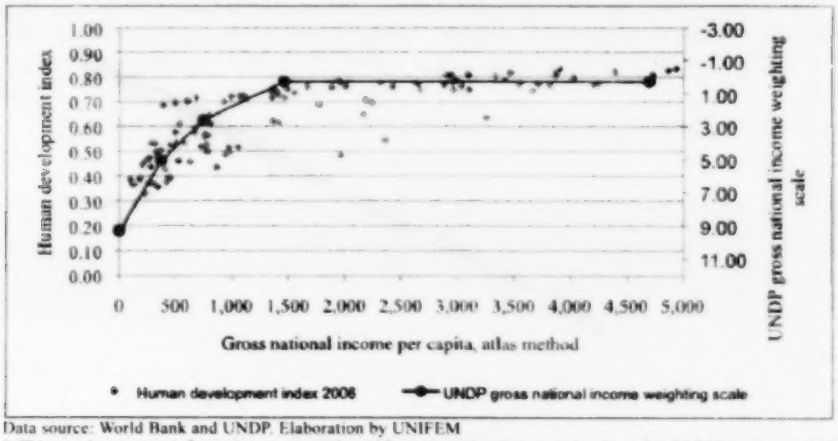
Figure 2: Correlation between the human development index, and the human development index to gender development index ratio



Data source: UNDP Human Development Report 2007 and 2008. Elaboration by UNIFEM

48. The gender adjustment factor that needs to be estimated will correct regional distributions calculated by UNDP, which is based on gross national income per capita and population data, adjusted by coefficients to ensure a progressive scale in favor of lower income countries. For this reason, it is important to explore the relationship between human development (highly correlated with gender development, and a proxy estimation of poverty incidence) and the gross national income per capita – the main variable used by UNDP for its distribution. As figure 3 shows, there is a clear relationship between these variables, but it is not linear. The figure also shows UNDP gross national income weighting coefficients that ensure a focus on low income countries, which is a good approximation of the relationship between the human development index and the gross national income per capita.

Figure 3: Gross national income per capita, the human development index and the UNDP gross national income weighting scale



Data source: World Bank and UNDP. Elaboration by UNIFEM

* This graph presents information on countries with gross national income levels under $5,500 (countries with a higher gross national income are identified as net contributors).

49. Given that UNIFEM allocates resources at the regional level, there will be a need to calculate regional ratios (human development index to gender development index)[12]. This would require a regional estimation of the human development index and the gender development index, which necessitates the selection of a weighting methodology for averaging. The simplest method would be to use population size as the weighting factor (method 1). However, following the methodology of UNDP, a weighting coefficient could be applied to countries' population size to ensure that higher population levels have some, but not a predominant effect, on overall estimation (method 2). As section B shows, the regional estimated values variations between methods are negligible.

50. In conclusion, the human development index and the gender development index ratio will be used as a measure of gender inequality to estimate the gender adjustment factor to be applied to the regional allocation of resources of UNDP.

B. Methodology

51. As shown in table 1, UNIFEM core programmable resources are divided into two main programme categories: geographic regions and other (thematic, cross-regional, outreach and special programming needs). Geographic regions are allocated 80 per cent of core programmable resources, while the other programming categories are allocated 20 per cent of these resources.

52. As suggested by guiding principle 4, it is recommended that the distribution of core resources between the regions and the other programming categories is maintained.

53. The following discussion on methodology and criteria applies only to the 80 per cent of resources devoted to the geographic sections.

54. Drawing on the above discussion, two methods for distributing resources are considered. The first method performs a simple weighting calculation, using the full size of the population, and the second applies a population weight that multiplies the full size of the population by a weight coefficient. In both cases, adjustment for gender gap is made using gender adjustment factor described in the previous section.

[12] The regional estimations of the gender development index and the human development index were computed using the regional country classification used for the UNIFEM report entitled progress of the world's women 2008/09, page 134.

55. The following is a step-by-step explanation of the application of the methodology.

56. *Step 1: Estimation of the total programming resources* – The total amount to be distributed for programming is separated in two portions, following the UNDP strategy for regional allocation of funds:

(a) 80 per cent to be distributed according to the UNDP pro rata share of TRAC-1 resources, slightly modified to incorporate gender equality in addition to poverty;

(b) 20 per cent to be distributed between the three regions receiving the smallest shares in (a), and further distributed according to the number of sub-regional offices in each region.

57. The total amount to be distributed for programming in 2009 was estimated at $31.2 million, of which $25 million will be distributed according to (a) and the balance of $6.2 million distributed according to (b).

58. *Step 2: Identification of the UNDP pro rata share of TRAC-1 resources* – The UNDP TRAC-1 distribution model uses World Bank data on population and gross national income per capita as the primary criteria, adjusted by coefficients to ensure a progressive approach in favor of lower income countries but also that countries with higher levels of population have some, but not a predominant effect, on overall distribution. The country level estimation is a complex one, and ensures a focus on low income and least developed countries. TRAC-1 covers only low income and middle income countries (the former receive a bonus in the distribution system), and leaves out net contributor countries. As mentioned earlier in this document, the gross national income per capita threshold for classifying countries used in the UNDP 2007 programming arrangements document is $1,050 or less for low income countries, and up to $5,500 for middle income countries; countries above that level of gross national income per capita were considered net contributors.

59. The estimated regional distribution of TRAC-1 resources, according to this methodology, was presented to the Executive Board in DP/2007/44 and is reproduced in table 3. The table also shows that this distribution ensures 86 per cent of the funds are allocated to low income countries.

Table 3: Gender-adjusted UNDP pro rata share of TRAC-1 resources by regions

Region	UNDP pro rata share of TRAC-1 resources	Method 1		Method 2	
		Gender Adjustment Factor	Gender Adjustment Factor – UNDP pro rata share of TRAC-1 resources adjusted percentage share	Gender Adjustment Factor	Gender Adjustment Factor – UNDP pro rata share of TRAC-1 resources adjusted percentage share
Africa	53.0%	1.0245	53.2%	1.0253	53.3%
Asia and the Pacific	28.0%	1.0129	27.8%	1.0132	27.5%
Arab States	7.0%	1.0598	7.3%	1.0670	7.6%
Latin America and the Caribbean	5.0%	1.0014	4.9%	1.0040	4.8%
Central and Eastern Europe and the Commonwealth of Independent States	7.0%	1.0073	6.9%	1.0092	6.8%

60. *Step 3: Application of a gender adjustment factor to UNDP pro rata shares* – The use of the UNDP pro rata share of TRAC-1 resources for the distribution of programming resources ensures that priority is given to low income countries. However, these shares do not necessarily incorporate regional levels of gender inequality and need to be adjusted using a gender adjustment factor.

61. The calculation of the gender adjustment factor is based on the estimation of regional values of the gender development index and the human development index.

62. The regional estimations of gender development index and the human development index are the averages of these values for all countries within a region, weighted by population size. Two estimations for these values are presented, both with very similar results. The first estimation performs a simple weighting calculation, using the full size of the population. The second estimation applies a population weight that multiplies the full size of the population by a weight coefficient (that varies according to the size of the population)[13], which ensures that higher population levels have some, but not a predominant effect, on overall distribution. Both estimations are shown in table 3.

63. The gender adjustment factor was calculated as the ratio of the human development index to the gender development index for each region; a higher ratio will indicate higher levels of gender inequality. Both estimations show almost identical values for the gender adjustment factor.

64. The gender-adjusted UNDP pro rata share of TRAC-1 resources are calculated by multiplying the gender adjustment factor with the UNDP pro rata share of TRAC-1 resources for each region, and then dividing this value by the sum of values for all regions. The resulting shares are very similar to the original UNDP pro rata share of TRAC-1 resources.

65. *Step 4: Distribution of 80 per cent of total programming resources (portion 'a')* – The amount allocated for each region is calculated by multiplying the respective regional share for portion (a) – the UNDP pro rata share of TRAC-1 resources adjusted by gender – by the total amount dedicated for this portion of $25 million. This amount represents 80 per cent of $31.2 million, total regular programmable resources available in 2009 for geographic regions[14].

66. *Step 5: Distribution of 20 per cent of total programming resources (portion 'b')* – It must be noted that UNDP uses a 90-10 formula for distribution of regional funds, instead of an 80-20 formula. The justification for reserving 20 per cent of the total funds to be distributed instead of 10 per cent is based on the fact that UNIFEM does not operate through country offices as UNDP does. Sub-regional programming requires higher minimal costs than country level, and UNIFEM needs to ensure a minimal adequate programming resources and presence at the field level for all sub-regional programme offices.

67. The three regions receiving the smallest shares under the distribution of portion 'a' are: Arab States with a share of 5 per cent; Latin America and the Caribbean, with a share of 7 per cent; and Central and Eastern Europe and the Commonwealth of Independent States, with a share of 7 per cent.

68. The regional share of portion 'b' is calculated according to the number of sub-regional programme offices in place, out of the total number of eight in all three regions. The resulting share is: two sub-regional programme offices in the Arab States (25 per cent); four sub-regional programme offices in Latin America and the Caribbean (50 per cent); and two sub-regional programme offices in Central and Eastern Europe and the Commonwealth of Independent States (25 per cent).

[13] Population weight coefficients are from UNDP programming arrangements for the period 2004-2007, as follows:

Population (in millions)		Weight coefficients	
From	To	From	To
0	1	0.050	0.525
1	10	0.525	1.425

[14] Source: UNIFEM finance report to the 49th session of the Consultative Committee, 17-18 March 2009.

69. The amount allocated for each region is calculated by multiplying the respective regional share for portion 'b' by the total amount dedicated for this portion – $6.2 million.

70. *Step 6: Regional distribution of total programming resources (portions 'a' plus 'b')* – The total amount allocated for each region is calculated as the sum of portions 'a' and 'b' for each region. See table 4.

Table 4: Amount allocated for each region under methods 1 and 2

Region	Method 1 *(in millions of dollars)*			Method 2 *(in millions of dollars)*		
	Total 1	'a'	'b'	Total 2	'a'	'b'
Africa	13.27	13.27	0.00	13.26	13.26	0.00
Asia and the Pacific	6.93	6.93	0.00	6.92	6.92	0.00
Arab States	3.37	1.81	1.56	3.38	1.82	1.56
Latin America and the Caribbean	4.34	1.22	3.12	4.35	1.23	3.12
Central and Eastern Europe and the Commonwealth of Independent States	3.28	1.72	1.56	3.28	1.72	1.56

71. Table 5 summarizes the effective regional distribution, in percentages and absolute amounts, for each method in comparison to the current method and the resulting differences. For testing purposes, the 2009 regular resources allocations among the geographic regions are used.

Table 5: Summary of analysis between method 1 and 2 and with gender development index compared to current methodology

Region	Method 1 with gender adjustment factor		Method 2 with gender adjustment factor		Current methodology		Difference – Method 1 from current		Difference – Method 2 from current	
	Share (in millions)	Percentage share	Share (in millions)	Percentage share	United States dollars (in millions)	Effective rate as a percentage *%	Percentage share	United States dollars (in millions)	Percentage share	United States dollars (in millions)
Africa	13.27	42.53%	13.26	42.51%	11.70	37.50%	+5.03%	+1.57	+5.01%	+1.56
Asia and the Pacific	6.93	22.21%	6.92	22.19%	7.80	25.00%	-2.79%	-0.87	-2.81%	-0.88
Arab States**	3.37	10.81%	3.38	10.84%	2.73	8.75%	+2.06%	+0.64	+2.09%	+0.65
Latin America and the Caribbean	4.34	13.92%	4.35	13.93%	6.24	20.00%	-6.08%	-1.90	-6.07%	-1.89
Central and Eastern Europe and Commonwealth of Independent States**	3.28	10.52%	3.28	10.53%	2.73	8.75%	+1.77%	+0.55	+1.78%	+0.55
TOTAL	**31.20^**	**100%^**	**31.20^**	**100%**	**31.20**	**100%**	**0^**	**0^**	**0**	**0^**

*These are effective rates. The percentage shares endorsed by the Consultative Committee are 30 per cent, 20 per cent, 7 per cent, 16 per cent, 7 per cent for Africa, Asia-Pacific, Arab States, Latin America and the Caribbean, and Central and Eastern Europe and the Commonwealth of Independent States, respectively.

**Arab States and Central and Eastern Europe and the Commonwealth of Independent States are taken as one category for UNIFEM regular resources allocation purposes. They are separated in the above table in order to align the above methods with UNDP methodology for regular resources allocation.

^ These figures are rounded to the nearest digit.

VI. Conclusions, and for consideration of the Committee

72. This document is prepared in response to the a request by the Consultative Committee to provide an analysis of the criteria for resources allocation with the intention of reporting to the UNDP/UNFPA Executive Board as part of the implementation of the strategic plan. UNIFEM is seeking guidance from the Committee on how to proceed.

73. This document provided an analysis of two basic options for the development and application of resource allocation criteria and methodology. The first option is to devise UNIFEM-specific criteria and methodology. The second is to adopt an existing criteria and methodology from a sister agency and adjust for gender, in line with the mandate of UNIFEM. The criteria and methodology used by UNDP and UNFPA are reviewed for this purpose and, this document suggests the adoption of the UNDP approach with a methodology to adjust for gender.

74. With the presentation of a possible gender adjustment methodology, this document outlines a step-by-step application of the methodology. The results of this are indicated in table 5. Applying the methodology using two alternative methods has implications on the level of regular resources allocated to each geographic region compared to the current methodology. If either of these two methods was to be adopted, Africa, Arab States and Central and Eastern Europe and the Commonwealth of Independent States would receive more in percentage share and absolute amount, while Asia and the Pacific and Latin America and the Caribbean and would receive less compared to the current methodology.

75. The implications of a reduction in resources for the programming of any region and the ability of UNIFEM to respond to demands from programme countries are obvious. Any change in methodology has to be carefully evaluated taking into account the mandate of UNIFEM, its limited resource base, and risks associated with programming commitments to development partners. In this regard, the guiding principles presented in this document, including the principle of gradual and incremental approach, should be borne in mind in recommending follow-up action.

76. In terms of which methodology to adopt, this could be considered once the policy recommendation of whether to pursue a change in resource distribution methodology is made.

Annex

May 26, 2009 No 1-8/352

Madame Administrator,

I have the honour to address you in my capacity as Chair of the UNIFEM Consultative Committee – composed of Chile, Norway, the Republic of Korea, Sudan and Estonia. The Committee has been tasked by the General Assembly to provide guidance to UNIFEM as well as to advise the Administrator of the UNDP about the activities of the Fund.

Following its discussion at its 48th and 49th Annual Sessions on the criteria for resource allocation the Committee recommended at its 49th Annual Session on 17-18 March 2009 that UNIFEM provide an analysis of the criteria for resource allocation for a review of these by the Committee at an inter-sessional meeting and its inclusion as an Annex to the Report on the implementation of the UNIFEM Strategic Plan for the Annual Session of the UNDP/UNFPA Executive Board.

Accordingly the Committee had an initial review of the requested briefing note following its receipt at its inter-sessional meeting on 22 May 2009.

In this respect, I would like to convey that at the meeting the Committee expressed its overall appreciation of the information received. The members agreed that the issue at hand is both complex and challenging and requires more time for deliberations than the session allowed for.

The meeting indicated a variance of views among the members regarding the basic options and possible methodologies, as well as the consistency between the information requested by the Committee and the response provided. It was also highlighted that the issue should be seen within the context of the ongoing gender reform discussions.

As a result of its deliberations on 22 May the Committee expressed its wish to further continue, within the scope of the mandate accorded to it in the Annex of resolution A/RES/39/125, consideration of the information presented at a next inter-sessional meeting.

Madame Administrator, please find enclosed herewith the briefing note provided by UNIFEM in accordance with the Committee's decision mentioned above.

Please accept, Madame Administrator, the assurances of my highest consideration.

Sincerely,

Tiina Intelmann
Ambassador
Permanent Representative

H.E. Ms. Helen Clark
Administrator, UNDP
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New York, New York 10017